

Public Hearings: Arborside LCRA Plan & Arborside CID Petition

Presentation to City Council

July 7, 2026



Summary of Presentation

Purpose: Public hearings to consider approval of the Arborside LCRA Redevelopment Plan and Arborside CID Petition to establish a funding plan for to fund public improvements needed to serve ~1000 acres owned by Land Reserve.

Presentation:

1. Arborside Development

- LCRA Plan and CID Petition
- Funding Plan for Public Improvements

2. Factual Findings for LCRA Plan

3. Action Items & Next Steps

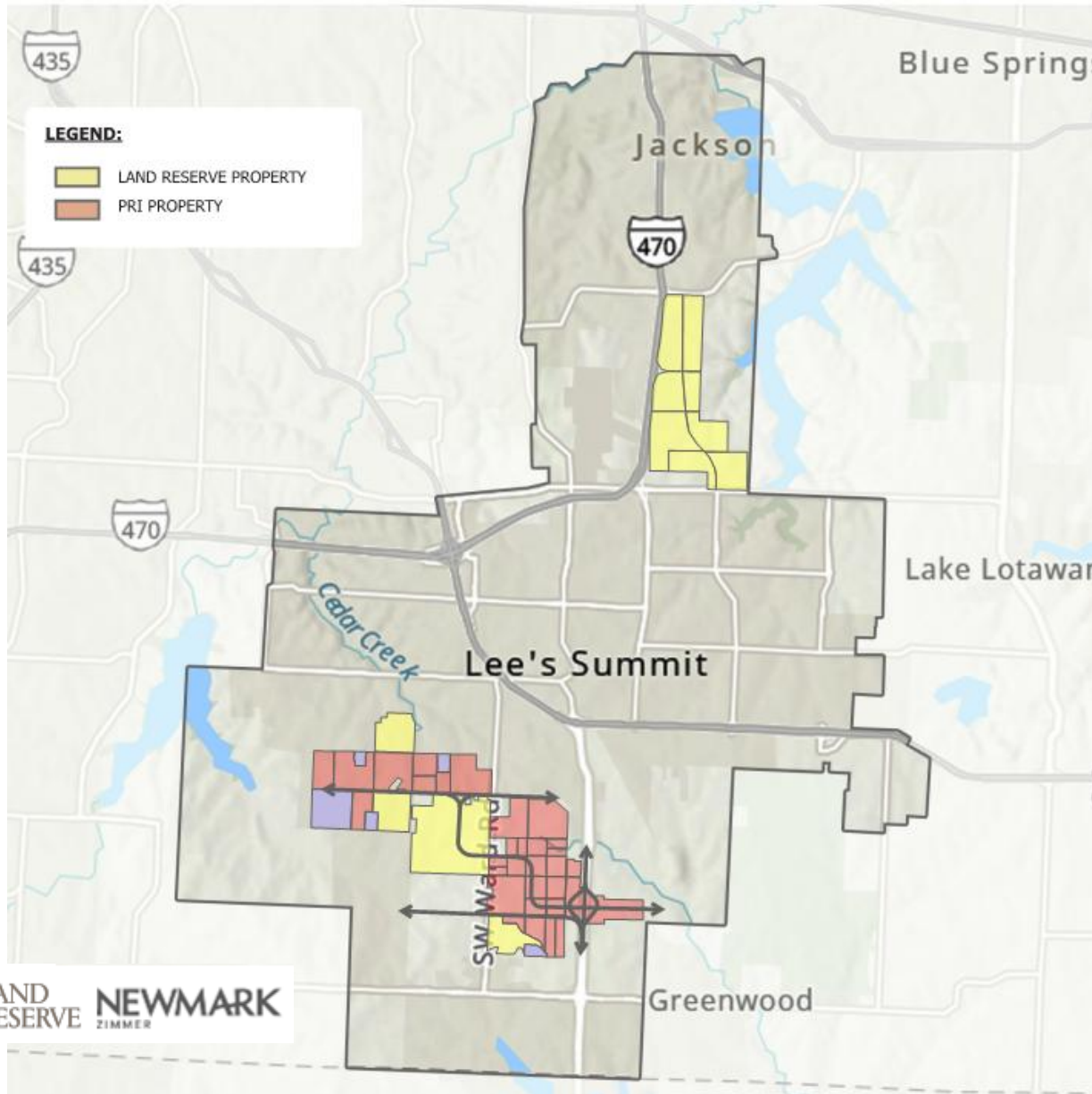
Goals of City Coordination with Land Reserve

- Create **long-term** infrastructure financing plan
- **Proactive** rather than reactive to development opportunities
- Create **certainty** for development
- **Avoid piecemeal approach**
- Secure available State & Federal funding
- Take maximum advantage of current opportunity to work with **one property owner**
- **Best long-term decisions** for land development
- Establish ongoing **transparent** process

1 Arborside Development

Parties

- The Church of Jesus Christ of Latter-day Saints (**LDS Church**)
- Land Reserve, Inc. (**LR**) – owner will sell land and serve as **Master Developer**
 - Newmark Zimmer – master broker and real estate consultant for LR
 - Polsinelli Law Firm – local legal counsel for LR
 - Continental Consulting Engineers – civil engineer for LR
 - Olsson Studio – land planner for LR
- Developers for individual projects



Arborside
~1000
acres.

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Framework

- **Land Uses**
 - Residential
 - Mixed Use
 - Commercial / Retail
 - Office / Medical Office
 - Light Industrial
- **Major Infrastructure Costs**
 - Arterial Transportation
 - Sanitary Sewer
 - Water
 - Other Utilities (Electric & Gas)
 - Regional Stormwater
- **Other Civic & Development Considerations**
 - Parks & Trail Connections
 - Police & Fire Coverage
 - Schools

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NEWMARK



Financing Plan – Public Improvements

Public Improvement	Cost	City Funding	Remainder
Major Transportation	\$39,928,000	\$24,000,000	\$15,928,000
Sanitary Sewer	\$34,026,000	<u>\$10,500,000</u>	\$23,526,000
Stormwater	\$1,776,000		\$1,776,000
Major Water Mains	\$6,264,000		\$6,264,000
Electric	\$3,859,000		\$3,859,000
Contingency (20%)	<u>\$17,171,000</u>		<u>\$17,171,000</u>
Total	\$103,024,000	\$34,500,000	\$68,524,000

Transportation

Project Title: Todd George Parkway – Colbern Road to Woods Chapel

Type: Bridges, Streets & Signals | Project No. P-263

Project Description

This project will improve Todd George Parkway by adding lanes, medians, curb, enclosed stormwater, sidewalk, shared use path and lighting. Similar improvements along Strother Road between Todd George and I-470 are also included in the scope of this project.

Project Purpose

Improve safety, traffic operations, improve accessibility, provide multimodal transportation options, and support economic development along the corridor.

Estimated Schedule

Design and Right of Way Acquisition	2026-2027
Construction	2027-2028

Anticipated Delivery Method: Public-Private Partnership

Funding Sources

April 2023 NTIB (Transportation)	\$ 24,000,000 (FY27-30)

Total Lifetime Budget \$ 24,000,000

Estimated Annual Operating and Maintenance

\$40,000

Capitalization: Constructed Infrastructure Only

Strategic Plan Elements

Infrastructure Condition	Education Partners	Health & Well-being	Amenities	Community Engage	Economic Development	Neighborhoods
○		○	●	●	●	○

iGNITE Comp Plan Elements

Quality of Life	Neighborhoods	Economic Development	Multi-modal	Infrastructure Capacity	Sustainable	Land Use & Design
●		●	●	○		●

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Sanitary Sewer

Project Title: Jacomo Watershed Improvements

Type: Sanitary Sewer

Project No. P-299

Project Description

Project consists of the design and construction of wastewater infrastructure to serve the Jacomo Watershed. This includes two submersible pump stations with excess flow holding basin storage and force mains.

Project Purpose

The Jacomo Watershed does not currently have any sanitary sewer infrastructure. The infrastructure is necessary to serve the watershed. The watershed flows naturally to the east, which is Lake Jacomo. The pump station and force main will convey watershed flows to the west to the existing Maybrook collection system.

Estimated Schedule

Design and Right of Way Acquisition	2026
Construction	2027-2029

Anticipated Delivery Method: Construction Manager At Risk

Funding Sources

Sewer Tap	\$10,400,000

Total Lifetime Budget \$10,400,000

Estimated Annual Operating and Maintenance

Estimated at \$60,000

Strategic Plan Elements

Infrastructure Condition	Education Partners	Health & Well-being	Amenities	Community Engage	Economic Development	Neighborhoods
●		○			○	○

iGNITE Comp Plan Elements

Quality of Life	Neighborhoods	Economic Development	Multi-modal	Infrastructure Capacity	Sustainable	Land Use & Design
	○	○		●	○	

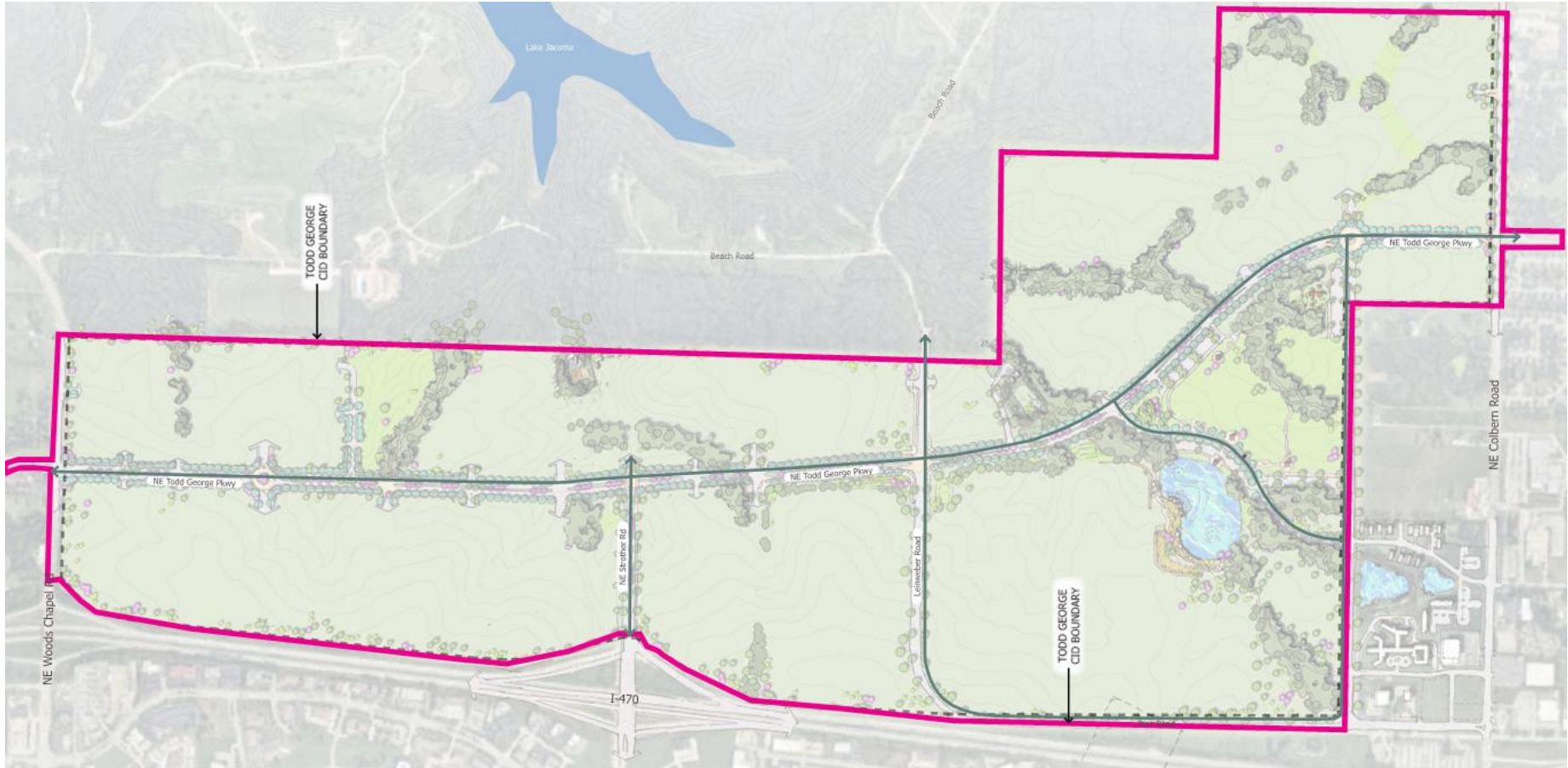
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Financing Plan Framework

- History of development and funding public improvements in Lee's Summit
- **Exactions** at rezoning or preliminary development plan approval, City vs. Development funding
- **Focused use of taxes in limited geographic area**
- Arborside Redevelopment Plan matches historical approach through development exactions
- Statutory economic development tool functions:
 - Tax Redirection
 - Tax Abatement
 - New Sales Tax
- Significant public improvements funded from private development using Missouri statutory economic development tools

LCRA Redevelopment Area and CID Area



Financing Plan

		Taxes / PILOTs ----- Payments to Taxing Districts	Tax Redirection ----- Regional Public Improvements	Tax Redirection ----- Local Public Improvements	Abatement ----- Business Attraction
Single Family Residential	N/A	100%			
Real Property Tax Redirection & Abatement					
Industrial	Yrs 1-10	5%	20%		75%
	Yrs 11-20	25%	25%		50%
Residential (R-2+)	Yrs 1-10	25%	25%		50%
	Yrs 11-20	100%			
Office	Yrs 1-10	75%	25%		**
	Yrs 11-20	75%	25%		**
Retail	Yrs 1-10	75%	25%		**
	Yrs 11-20	75%	25%		**
New 1% CID Sales Tax					
Retail	Yrs 1-27	N/A	50%	50%	N/A

**Office and Retail real property tax abatement for business attraction to be evaluated on a case-by-case basis by the City Council.

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	Yrs 11-20	100%			
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Cost Benefit Analysis

		Figures Below Assume Full Buildout of Project (30 Year Period)					
Taxing Jurisdiction	Current Annual Property Tax Revenues	Property Tax Revenues Absent Funding Plan	PILOTS	Tax Redirection	Abated Tax	Taxes Generated by Single Family	Sales Taxes
State of Missouri	\$ 18	\$ 2,706,077	\$ 1,255,097	\$ 648,285	\$ 802,695	\$ 398,446	\$ 303,197,337
Mid-Continent Library	\$ 194	\$ 28,431,847	\$ 13,186,884	\$ 6,811,315	\$ 8,433,648	\$ 4,186,338	\$ -
Metro Junior College	\$ 111	\$ 16,290,582	\$ 7,555,683	\$ 3,902,676	\$ 4,832,223	\$ 2,398,644	\$ -
Mental Health	\$ 60	\$ 8,785,729	\$ 4,074,881	\$ 2,104,765	\$ 2,606,083	\$ 1,293,621	\$ -
Jackson County	\$ 183	\$ 26,808,201	\$ 12,433,826	\$ 6,422,344	\$ 7,952,031	\$ 3,947,270	\$ 98,673,690
City of Lee's Summit	\$ 929	\$ 136,088,601	\$ 63,118,819	\$ 32,602,254	\$ 40,367,528	\$ 20,037,841	\$ 197,347,379
Board of Disabled Services	\$ 45	\$ 6,602,827	\$ 3,062,436	\$ 1,581,815	\$ 1,958,576	\$ 972,208	\$ -
Blue Springs R-IV School District	\$ 2,107	\$ 308,765,116	\$ 143,207,361	\$ 73,969,743	\$ 91,588,012	\$ -	\$ -
Lee's Summit R-7 School District	\$ 1,074	\$ 157,446,813	\$ 73,024,903	\$ 37,718,964	\$ 46,702,946	\$ 62,833,581	\$ -
Zoo District	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,970,335
TOTAL	\$ 4,722	\$ 691,925,793	\$ 320,919,889	\$ 165,762,161	\$ 205,243,743	\$ 96,067,949	\$ 608,188,742

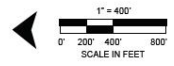
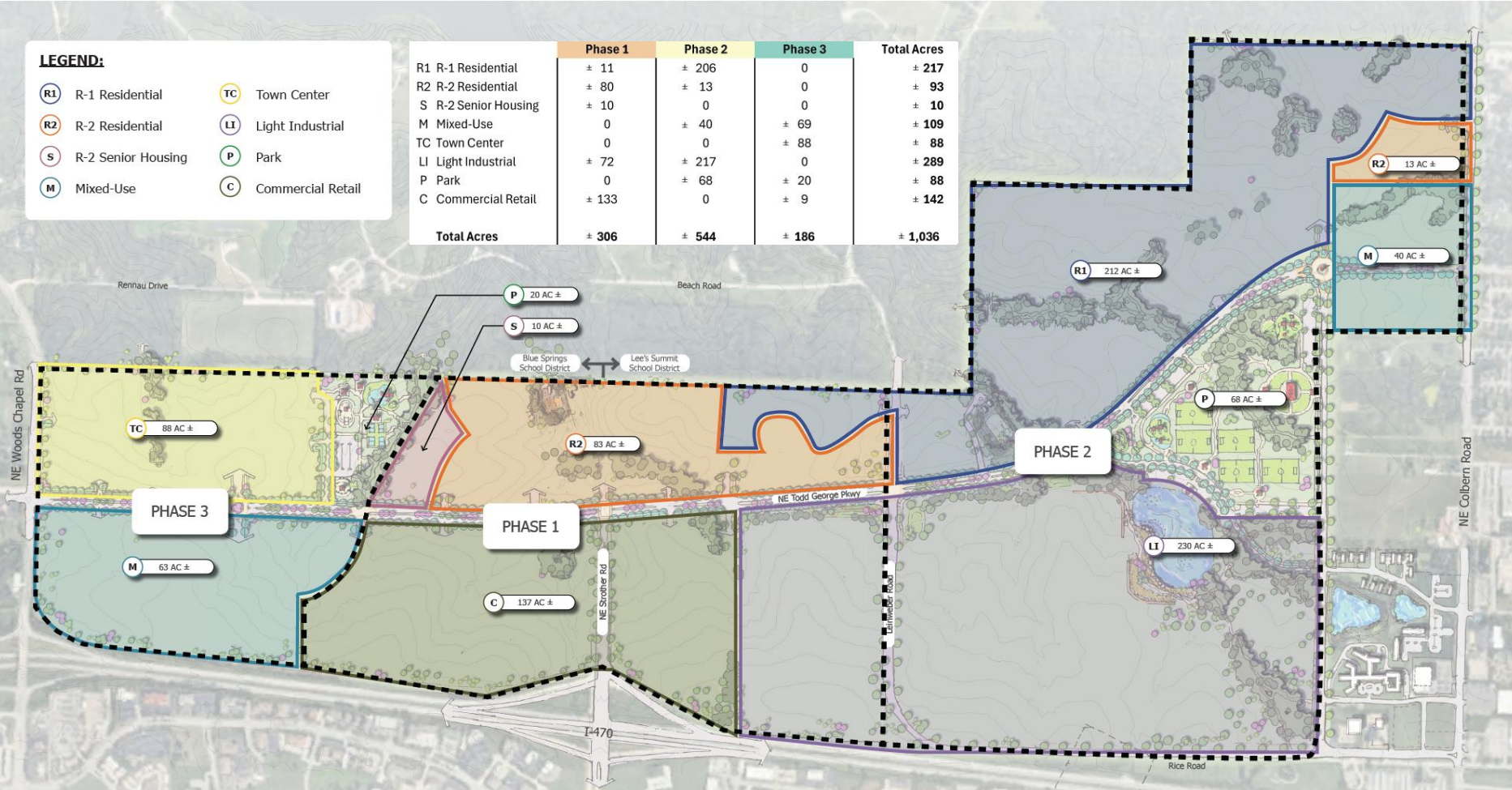
[1] In addition to the above, the Merchants' and Manufacturers' Tax revenues collected will be distributed in accordance with Missouri law.

LAND USE ZONES

LEGEND:

- R1 R-1 Residential
- R2 R-2 Residential
- S R-2 Senior Housing
- M Mixed-Use
- TC Town Center
- LI Light Industrial
- P Park
- C Commercial Retail

	Phase 1	Phase 2	Phase 3	Total Acres
R1 R-1 Residential	± 11	± 206	0	± 217
R2 R-2 Residential	± 80	± 13	0	± 93
S R-2 Senior Housing	± 10	0	0	± 10
M Mixed-Use	0	± 40	± 69	± 109
TC Town Center	0	0	± 88	± 88
LI Light Industrial	± 72	± 217	0	± 289
P Park	0	± 68	± 20	± 88
C Commercial Retail	± 133	0	± 9	± 142
Total Acres	± 306	± 544	± 186	± 1,036



Reimbursement Ratios – Phase 1

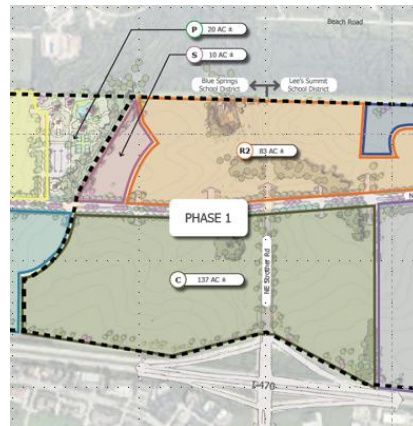
Phase 1

Source	Incentive Tool	Applicable Rate	Duration	Purpose	*Estimated Financial Benefit	% Project Costs
LCRA	Real Property Tax Abatement	Variable	20 years	Reduce Development Cost	\$30,805,980	6.1%
LCRA	Sales Tax Exemption	100%	Construction	Reduce Development Cost	\$12,259,452	2.4%
CID	Special Assessments	Variable	20 years	Reimbursement	\$19,760,227	3.9%
CID	Sales Tax	1%	27 years	Reimbursement	\$8,076,954	1.6%

Totals: \$70,902,613 14.0%

Total Project Costs: \$506,275,000

	Phase 1
R1 R-1 Residential	11
R2 R-2 Residential	80
S R-2 Senior Housing	10
M Mixed-Use	0
TC Town Center	0
LI Light Industrial	72
P Park	0
C Commercial Retail	133
Total Acres	306



Reimbursement Ratios – Phase 2

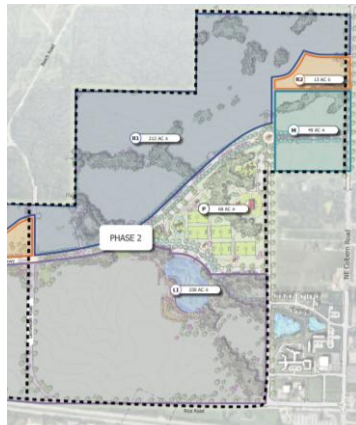
Phase 2

Source	Incentive Tool	Applicable Rate	Duration	Purpose	*Estimated Financial Benefit	% Project Costs
LCRA	Real Property Tax Abatement	Variable	20 years	Reduce Development Cost	\$55,631,841	9.7%
LCRA	Sales Tax Exemption	100%	Construction	Reduce Development Cost	\$13,852,486	2.4%
CID	Special Assessments	Variable	20 years	Reimbursement	\$24,428,376	4.3%
CID	Sales Tax	1%	27 years	Reimbursement	\$2,721,519	0.5%

Totals:	\$96,634,223	16.9%
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Total Project Costs: \$572,062,000

	Phase 2
R1 R-1 Residential	206
R2 R-2 Residential	13
S R-2 Senior Housing	0
M Mixed-Use	40
TC Town Center	0
LI Light Industrial	217
P Park	68
C Commercial Retail	0
Total Acres	544



Reimbursement Ratios – Phase 3

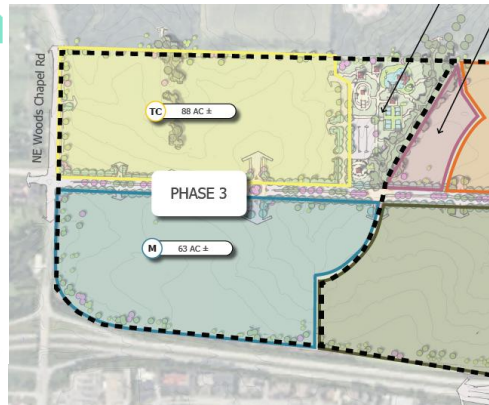
Phase 3

Source	Incentive Tool	Applicable Rate	Duration	Purpose	*Estimated Financial Benefit	% Project Costs
LCRA	Real Property Tax Abatement	Variable	20 years	Reduce Development Cost	\$9,621,727	1.7%
LCRA	Sales Tax Exemption	100%	Construction	Reduce Development Cost	\$13,908,621	2.4%
CID	Special Assessments	Variable	20 years	Reimbursement	\$28,086,008	4.9%
CID	Sales Tax	1%	27 years	Reimbursement	\$14,791,040	2.6%

Totals:	\$66,407,396	11.6%
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Total Project Costs: \$574,380,000

	Phase 3
R1 R-1 Residential	0
R2 R-2 Residential	0
S R-2 Senior Housing	0
M Mixed-Use	69
TC Town Center	88
LI Light Industrial	0
P Park	20
C Commercial Retail	9
Total Acres	186



Reimbursement Ratios – All 3 Phases

All 3 Arborside Phases

Source	Incentive Tool	Applicable Rate	Duration	Purpose	*Estimated Financial Benefit	% Project Costs
LCRA	Real Property Tax Abatement	Variable	20 years	Reduce Development Cost	\$96,059,549	5.8%
LCRA	Sales Tax Exemption	100%	Construction	Reduce Development Cost	\$40,020,559	2.4%
CID	Special Assessments	Variable	20 years	Reimbursement	\$72,274,611	4.4%
CID	Sales Tax	1%	27 years	Reimbursement	\$25,589,512	1.5%
Totals:					\$233,944,231	14.2%

Total Project Costs: \$1,652,717,000

Notes:

* NPV @ 7%; rounded to nearest \$1,000

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Factual Findings for LCRA Plan

Recommendations to City Council

- **Planning Commission**

- Hearing on May 14, 2026
- Resolution 2026-4: Amended Comprehensive Plan
- Resolution 2026-5: Arborside LCRA Plan
 - Recommends approval of Arborside LCRA Plan
 - Evaluated **Consistency** with Comprehensive Plan

- **LCRA Board of Commissioners**

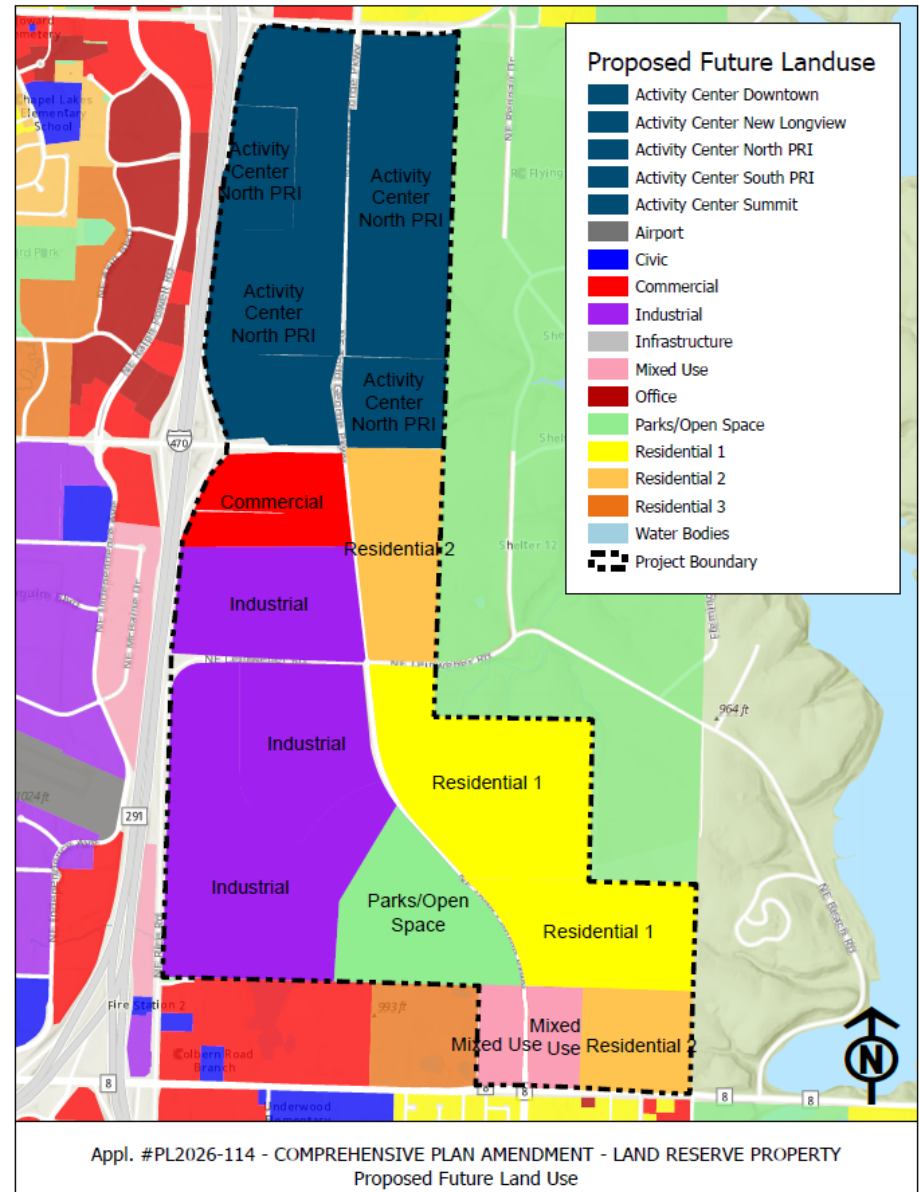
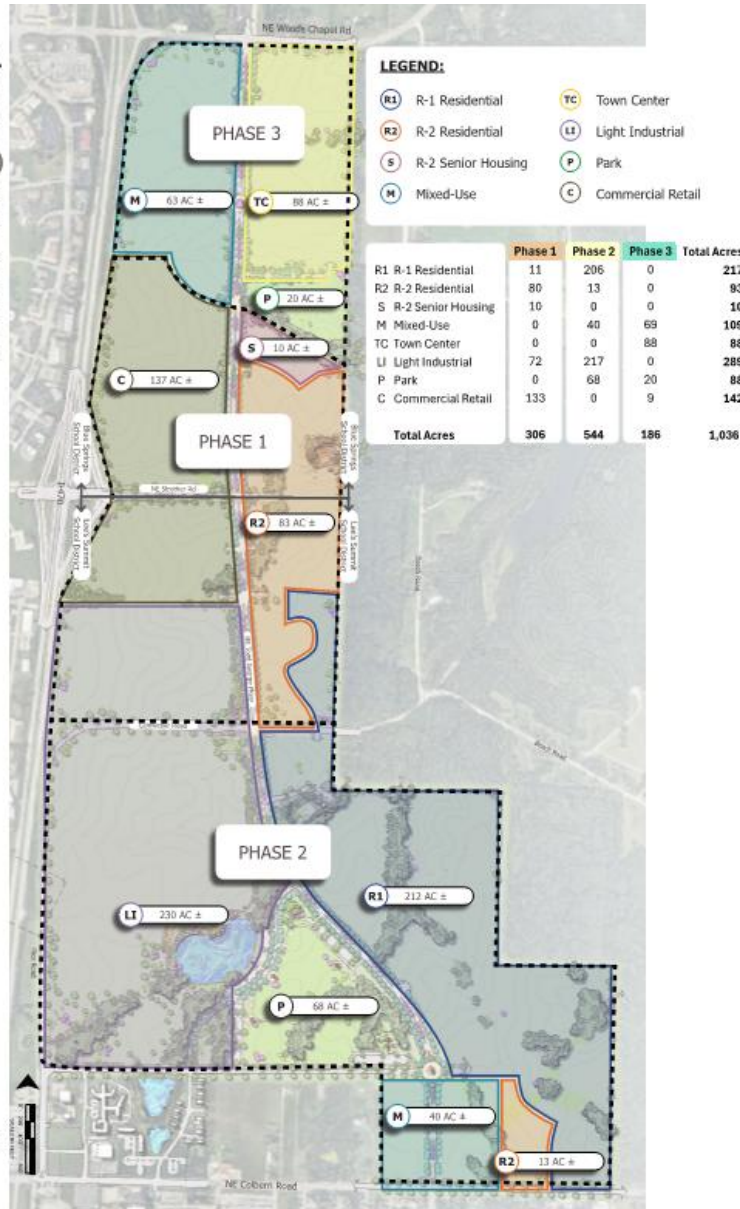
- Hearing on June 4, 2026
- Resolution 2026-3: Arborside LCRA Plan
 - Recommends approval of Arborside LCRA Plan
 - Evaluated **Blight, Consistency** and **Necessity**

Finding: Blight

- **Legal standard**
 - Fairly debatable, reasonable minds can differ
 - Arbitrary and unreasonable abuse of legislative discretion
- **“Blighted area”** factors to consider (§ 99.810, RSMo)
 - Illegal dumping
 - Dangerous conditions
 - Deterioration of Site Improvements
- **Economic Underutilization** – Missouri Supreme Court
 - Minimal tax production
 - Development → higher level of economic activity
 - Increased employment
 - Greater services to the public
 - Industrial development is a public purpose
- **Blight clearance** = (1) demolition and (2) development

Finding: Consistency

- **Consistency finding:**
 - “Prior to recommending a redevelopment or urban renewal plan to the governing body for approval, an **authority shall consider whether** the proposed **land uses** and building requirements in the land clearance or urban renewal project area are designed with the general purpose of accomplishing, **in conformance with the general plan**, a coordinated, adjusted and harmonious development of the community and its environs ...” § 99.430.1(6), RSMo.
 - “Following the hearing, the governing body may approve a redevelopment or urban renewal plan if it **finds that the plan is feasible and in conformity with the general plan for the development of the community as a whole.**” § 99.430.1(9), RSMo.
- **Municipal redevelopment goal:** “A municipality, to the greatest extent it determines to be feasible in carrying out the provisions of this law, shall afford maximum opportunity, consistent with the sound needs of the municipality as a whole, to the rehabilitation or redevelopment or renewal of areas by private enterprise.” § 99.310, RSMo.



Finding: Necessity

- **Necessity requirement:** “An authority shall not prepare a redevelopment or an urban renewal plan for a land clearance or urban renewal project area unless the governing body of the community in which the area is located has declared, by resolution or ordinance, the area to be a blighted, or insanitary area **in need of redevelopment or in need of rehabilitation.**”
- **Authorization to spend money:** “It is hereby found and declared that ... the **elimination or prevention of the detrimental conditions** in such areas, the acquisition and **preparation of land** in or necessary to the development, renewal or rehabilitation of such areas and its **sale or lease for development**, renewal or rehabilitation **in accordance with** general plans and **redevelopment or urban renewal plans** of communities and any **assistance which may be given by any public body** in connection therewith are **public uses and purposes for which public money may be expended and private property acquired...**” § 99.310, RSMo.

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Action Items & Next Steps

Action Items & Next Steps

- **Today** –
 - Ordinance: Arborside LCRA Plan
 - Ordinance: Arborside CID Petition
- **July** – Arborside CID holds first meeting and starts operations
 - Special Assessment Petition
 - Sales Tax Election
- **July / August** – Ordinance: Arborside Master Development Agreement

End